

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Establish  
Policies and Rules to Ensure Reliable, Long-Term  
Supplies of Natural Gas to California.

Rulemaking 04-01-025  
(Filed January 22, 2004)

**ASSIGNED COMMISSIONERS' RULING REVISING THE SCOPING MEMO  
AND FURTHER REVISING THE SCHEDULE FOR PHASE II**

We established the revised schedule for Phase II in this proceeding in a ruling dated April 21, 2005. Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) responded with a motion, dated May 2, 2005, asking us to further modify the schedule to grant the utilities more time to prepare testimony concerning Infrastructure Adequacy and Slack Capacity Guidelines, and to allow all parties to submit rebuttal testimony. The moving parties asked for an extension from May 20, 2005 to June 21, 2005 to file initial testimony, proposed extending the deadline for testimony from intervenors and the Office of Ratepayer Advocates (ORA) from June 22, 2005 to July 29, 2005, proposed a deadline of August 25, 2005 for rebuttal testimony, and suggested rescheduling the beginning of hearings from July 11, 2005 to September 12, 2005. Several parties offered responses in support of the motion.

We are persuaded that the record in this proceeding would benefit from a short delay. The utilities would have more time to prepare resource adequacy assessments, intervenors and ORA would have more time to conduct discovery, and the record would be further enhanced with the introduction of rebuttal

testimony. Rebuttal testimony should also make the hearing process more efficient, by reducing the need for cross-examination. For these reasons, we will revise the schedule, granting extensions slightly more modest than those sought by the moving parties, in order to allow us to conduct evidentiary hearings in August.

In addition, in order to more fully understand the adequacy of the California natural gas infrastructure and the impacts of current procurement practices, we have asked the Energy Division to examine electric utility plans to supply, transport and store natural gas for electric generation in those plants for which the utility is responsible to provide the gas.<sup>1</sup> The Energy Division will then issue a report including any recommended actions for the Commission to take. The target date for release of the report is September 15, 2005. Comments on the report will be due October 17, 2005. The comments should address the merits of the Energy Division recommendations, and specifically identify any factual disputes related to the report that would suggest the need for evidentiary hearings prior to including the report in the record for this proceeding.

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<sup>1</sup> The Energy Division will soon be contacting Southern California Edison Company, Pacific Gas and Electric Company, and SDG&E with data requests related to this report. We expect each utility to respond to the data requests promptly and completely.

The following reflects the revised schedule for this proceeding:

Draft Pro Forma Operational Balancing Agreement Distributed	Was Released April 1, 2005
Gas Quality Workshop Report Issued	Was Released April 4, 2005
Gas Quality Workshop Report Comments	Were Received April 25, 2005
Draft Pro Forma Operational Balancing Agreement Comments	Were Received May 2, 2005
Operational Balancing Agreement	Workshop Was Held May 11, 2005
Operational Balancing Agreement	Workshop Report Due June 8, 2005
Infrastructure Adequacy and Slack Capacity Guidelines	Utility Testimony to be Served June 14, 2005
Infrastructure Adequacy and Slack Capacity Guidelines	ORA and Intervenor Testimony to be Served July 15, 2005
Infrastructure Adequacy and Slack Capacity Guidelines	Rebuttal Testimony to be Served August 12, 2005
Second Phase II Prehearing Conference	August 18, 2005 - 10:00 a.m., by Conference Call <sup>2</sup>
Infrastructure Adequacy and Slack Capacity Guidelines Hearings	August 22-26, 2005, beginning the first day at 10:00 a.m.
Opening and reply briefs	September 2005 (tentative)
Energy Division Report on Electric Utility Natural Gas Supply, Transportation and Storage Plans	To be issued September 15, 2005 Comments due October 17, 2005
Opening comments due on Phase II proposed decision	Within 20 days of the mailing date of the proposed decision
Reply comments due on Phase II proposed decision	Five days after opening comments are filed

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<sup>2</sup> We ask for SoCalGas' assistance in establishing a conference line for this purpose, and in notifying all parties of the procedure for joining the call.

Decision adopted by the Commission	At least 30 days later
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We have modified the scope of Phase II by calling for a report by the Energy Division on electric utility natural gas supply, transportation and storage plans. For this reason, and because we have extended the schedule for the distribution of testimony, it is no longer likely that this proceeding will conclude within 18 months of the issuance of the Phase I Scoping Memo. In light of the discrete nature of Phase II, an effort to adhere to the time estimate offered during an earlier phase of the proceeding is inappropriate. We are undertaking an effort to develop a record specifically addressing Phase II issues, and to meet the scheduling needs of the active parties. For these reasons, we invoke our authority pursuant to Pub. Util. Code § 1701.5(b) to revise our estimate for the completion of Phase II.

We anticipate completing all aspects of Phase II no later than June 30, 2006. However, in no event would this phase of the proceeding exceed 18 months from the date of the first Phase II Scoping Memo. That Scoping Memo was issued on June 28, 2005. Eighteen months from that date would be August 28, 2006.

**IT IS SO RULED.**

Dated May 11, 2005, at San Francisco, California.

/s/ SUSAN P. KENNEDY  
Susan P. Kennedy  
Assigned Commissioner

/s/ MICHAEL R. PEEVEY  
Michael R. Peevey  
Assigned Commissioner

**CERTIFICATE OF SERVICE**

I certify that I have by electronic mail to those who provided electronic mail addresses, and by U.S. mail to those who did not provide e-mail addresses, this day served a true copy of the original Ruling of the Assigned Commissioners Issuing a Revised Scoping Memo and Setting a Further Revised Schedule for Phase II on all parties of record in this proceeding or their attorneys of record.

Dated May 11, 2005, at San Francisco, California.

/s/ JANET V. ALVIAR

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Janet V. Alviar

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.